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by Kautsar Salman

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Mapping of Mandatory and Voluntary Disclosures with Capital Market Variables and Future Research Opportunities: MBAR Research Study Period 2006-2015

Kautsar Riza Salman
STIE Perbanas Surabaya, Surabaya, Indonesia
(kautsar@perbanas.ac.id)

Abstract

This paper aims to review a number of previous studies that examined the relationship of mandatory and voluntary disclosure variables with capital market variables such as market prices, market returns and the cost of equity capital. The first part of this paper is an explanation of the theories that form the basis of research on this topic. The second part of this paper is a review of some accounting research that examines the relationship between company disclosure and capital market variables. In this section, a relationship research map is described for each type of disclosure with capital market variables. The third part reveals several accounting research opportunities that can be done to continue the results of previous studies. The review process was conducted on twelve international journals related to capital market-based accounting research in the period 2006-2015. Based on the literature review, the results show that the basic theories that are widely used are efficient market theory, agency theory, behavior theory, economic theory, voluntary disclosure theory, value relevance, and net surplus theory. The most widely used model is the Ohlson (1995) model. The most widely conducted research is to examine the effect of mandatory disclosures on capital market variables such as returns, market value, firm value, and others. In addition, the majority of studies examine the impact of voluntary disclosure on capital market variables such as stock prices, equity capital costs, and returns. The archive method is more widely used by utilizing secondary data, whereas few use experiments. Research opportunities that can be directed to: (1) examine the impact of sharia disclosures on capital market variables (2) using experimental methods, and (3) test the association of social disclosures, environmental disclosures, disclosure of intellectual capital and other types of voluntary disclosures.

Keywords: literature review, mandatory disclosure, voluntary disclosure, market price, market return, cost of equity capital

1. Introduction

Capital market-based accounting research begins with a study conducted by Ball and Brown (1968) which shows that the accounting value has information content. Ball and Brown (1968) found that when there was an increase in earnings announcements investors reacted with rising stock prices. From this we can conclude that there is a strong relationship between earnings information as one of the mandatory disclosures with capital market variables indicated by the reaction of investors in the capital market. Subsequent researches after Ball and Brown (1968) broadly examined both the disclosure of accounting information and the capital market variables. This paper aims to map market-based accounting research, especially the impact of disclosure of accounting information on capital market variables. Mapping of this topic provides an opportunity to synthesize current research trends and to provide an explanation of future research that might be able to continue previous studies.

Based on Stanford doctoral seminar in securities pricing research in accounting, Beaver (1996) divides accounting research into two broad categories, namely accounting data as measurement and accounting data as information. Based on the information perspective, further research is divided into the use of non-strategic accounting data and the use of strategic accounting data. This literature study focuses on the use of accounting data as information in strategic settings. According to Beaver (1996) the basic idea is that discretion occurs in accounting. Discretion affects the numbers reported and the securities market reaction to these numbers. There are four areas of choice, namely voluntary disclosure, accrual management, choice of accounting methods and analyst behavior. Among the four areas, our mapping material is a choice in the form of voluntary disclosure. The voluntary disclosure model of Verrecchia (1983) and Trueman (1986) as explained by Beaver (1996) provides a conceptual basis for discussing the reasons for voluntary disclosure to occur.

After Beaver's (1996) study, Easton (1999) in his commentary explains that there has been a shift from an information perspective to a clearer focus on the view that financial statements are summaries of events that affect companies throughout the fiscal period. Easton (1999) explains that empirical studies that adopt this perspective require benchmarks to evaluate the effectiveness of accounting summaries. Events that affect a company throughout the fiscal period are captured in changes in firm value (return), so it can be said that market returns are clear benchmarks. What Easton (1999) explained, shows that disclosure of accounting information has an impact on market returns.

Studies that examine the relationship between disclosure of accounting information and capital market variables have been widely carried out by researchers. Healy and Palepu (1993) explain that managers can improve their communication with investors by developing disclosure strategies. Voluntary disclosure is seen as being able to help investors understand the manager's business strategy. Leuz and Wysocki (2008) in Tsalavoutas and Dionysiou (2014) revealed that mandatory disclosure is different from voluntary disclosure because disclosure is mandatory with regard to current cash flow, profit, net worth and ownership compared to the company's aspirations for success. In fact, Dye (1986) concludes that the higher compliance with mandatory disclosure, the higher the amount of proprietary and non-proprietary information provided..

However, there is a tendency to be more inclined to voluntary disclosure compared to mandatory disclosure. Many previous studies have examined voluntary disclosure in relation to value relevance for investors as Hussainey and Walker (2009), Slack and Shrives (2010) and Hussainey and Mouselli (2010). There is a research gap especially in disclosure regarding the implications of the assessment of mandatory disclosure (Kang and Pang, 2005; Bushee and Leuz, 2005; Leuz and Wysocki, 2008; Hassan et al. 2009; and Tsalavoutas and Dionysiou, 2014).

The study of Tsalavoutas and Dionysiou (2014) included among studies that examined the relationship between the level of mandatory disclosure and market value. The results of the Tsalavoutas and Dionysiou (2014) show that the level of disclosure is positively and significantly related to market value, meaning that the level of disclosure must have value relevance for market participants by influencing their investment decisions. In addition, the valuation coefficient of the company's net income with a higher level of disclosure is significantly greater compared to companies with a lower level of disclosure.

Several studies have examined mandatory disclosures and voluntary disclosures as described previously, other studies also examine the impact of financial disclosures, social disclosures and environmental disclosures on investor reactions in the capital markets, among others by Botosan (1997) and Richardson and Welker (2001). Botosan (1997) uses a sample of manufacturing companies in the US and finds that financial disclosures can reduce capital costs through (1) decreasing risk estimates; (2) decrease in total risk in ownership of equity securities; (3) decreased risk of information asymmetry and adverse selection. Richardson and Welker (2001) extends Botosan (1997) by examining financial disclosures and social disclosure while reducing the cost of equity capital. The results of the study by Richardson and Welker (2001) resulted in an interesting finding that social disclosure is positively and significantly related to the cost of equity capital, which means that more levels of social disclosure can increase the company's capital costs.

2. Literature Review

2.1. Efficient Market Theory

The basic theory used is efficient market theory. Scott (2012) explains that in an efficient securities market, stock prices reflect fully all available information and changes in prices in those markets will behave randomly over time. If the information is incomplete, then the price of the security can be wrong. However, market efficiency cannot guarantee that the price of securities reflects fully the true value of the company. Prices are relatively unbiased depending on information that is publicly available and will react quickly to new information or revised information.

Term value relevance of accounting information derived from the theory of surplus clean which states that the value of the company is reflected in the accounting data contained in the financial statements (Feltham and Ohlson, 1995; Ohlson, 1995). This theory assumes that investors have homogeneous beliefs and preferences. The next assumption is that there is a net surplus relationship between equity and profit. This net surplus relationship means that all changes in equity other than those originating from capital transactions, in the form of dividends or additional capital, also come from company profits. The next explanation is that the ability of accounting information (especially profit and book value) to explain the value of companies is known by the value relevance of accounting information (Scott, 2012). The degree of utilization of accounting information can be measured by changes in the price and volume of stock trading that follows the announcement of accounting information by the company. This theory according to Scott (2012) provides a framework that is consistent with the measurement approach (measurement approach), to show how the company's market value can be expressed in terms of the components of the balance sheet and income statement fundamentals.

Beaver (1968) describes how value relevance of accounting information relates to the ability of accounting information to explain the value of a company. Francis and Schipper (1999) argue that research on value relevance is very important because of the opinion that financial statements based on historical costs have lost most of their relevance, especially for investors due to large-scale changes in the economy, namely from the economy industrial to high-tech and service-oriented economy. Lev and Zarowin (1999) added that the usefulness of accounting information (earnings, cash flows and book value of equity) deteriorated because the impact of changes in company operations and changes in economic conditions were not adequately reflected in the current reporting system.

The study that examines value relevance aims to examine the dependent variant association of securities market prices (returns) with a number of accounting variables. Ball and Brown (1968) began empirical research and proved that net income has value relevance to stock returns. Barth et al. (2001) explains that an accounting number is said to be value relevance if it has a significant relationship with price or stock return. If the accounting number reflects relevant information for investors to assess the company and is measured fairly reliably, which is reflected in prices or stock returns.

2.2. Ohlson's Framework (1995)

The model commonly used in several studies using the framework of Ohlson (1995). Ohlson (1995) provides an important framework for understanding the relationship between prices and accounting data and as a basis for interpreting the regression coefficient estimates α_0, α_1 and α_2. The following is Ohlson's (1995) model:

$$P_{jt} = \alpha_0 + \alpha_1 B_{jt} + \alpha_2 X_{jt} + \varepsilon_{jt}$$

where P shows the value of the company, B_{jt} is the book value of the shareholder, X_{jt} is net profit. The coefficient of α_1 on the book value is negatively related to the persistence of abnormal earnings so that the greater the coefficient on the book value implies that abnormal earnings are less persistent. The coefficient α_2 on net income is positively related to persistence and is negatively related to the expected rate of return (Easton, 1999).

3. Material and methods

We identify articles between 2006 and 2015 in several journals in the context of capital market-based accounting research, including: Journal of Applied Accounting Research, Journal of Business Finance & Accounting, Journal of International Finance Management and Accounting, The Journal of Financial Research , Journal of Accounting Research, The Accounting Review, Contemporary Accounting Research, International Journal of Management, Accounting and Economics, Journal of Information Systems, Financial Management and Analysis, Accounting and Finance, and Journal of Accounting, Auditing & Finance

We chose the period 2006 to 2015 to find out the latest developments in capital market-based accounting research, especially concerning the topic of disclosing accounting information and its relationship to capital market variables. Furthermore, after we have collected a number of related researches, we explain the research map for each type of disclosure we share into 3 sub topics, namely mandatory disclosure, voluntary disclosure and other voluntary disclosures (such as social disclosure, environmental disclosure, and political disclosure).

4. Results

4.1. Mandatory disclosure with capital market variables

Several studies have been conducted to examine the impact of mandatory disclosure on capital market variables conducted by Tsalavoutas and Dionysiou (2014), Aubert and Grudnitski (2011), Ghost and Lee (2013), Gelles, Howe and Xing (2011), and Bonaime (2015) . From some of these studies, shows that the effect of mandatory disclosure on capital market variables is the research topic most used by researchers, while only the study of Gelles, Howe and Xing (2011) examines the impact of several independent variables on mandatory disclosure. Some of these studies link mandatory disclosure with IFRS standards disclosure requirements including the study of Tsalavoutas and Dionysiou (2014) and Aubert and Grudnitski (2011). These last two studies will be presented first, then other studies.

Tsalavoutas and Dionysiou (2014) examine whether compliance with mandatory IFRS disclosure is value relevance, by examining its impact on market value. The results of this study found that mandatory disclosure has a positive and significant impact on market value. This shows that disclosure must provide information relevant to market participants and influence their investment decisions. Tsalavoutas and Dionysiou (2014) use company settings in Greece in 2005, which are the first time that IFRS is applied in Greece. In addition, this study found that the relevance value of accounting information for companies with a high level of compliance with mandatory disclosure was significantly greater than for companies with lower levels of compliance. The study findings of Tsalavoutas and Dionysiou (2014) illustrate that compliance with the mandatory disclosure requirements of IFRS results in more transparent financial statements that mitigate uncertainty regarding company fundamentals.

Aubert and Grudnitski (2011) conducted a two-stage analysis by examining the impact and importance of the mandatory adoption of international accounting reporting standards (IFRS) on EU companies. In the first phase, the impact of the mandatory adoption of IFRS in 13 countries and 20 industries was determined. This is done to identify significant differences in ROA for companies that are calculated based on IFRS and local accounting principles, which generally apply (LG). Significant positive differences can be detected for companies in Belgium, Finland, France, Italy, the Netherlands, Sweden, Switzerland and the United Kingdom. Only German and Norwegian companies produced significant negative average differences between ROA calculated using IFRS and LG. This study found a statistically significant relationship between accounting information and market returns for companies in a sample of all countries from 3,530 observations, and in Belgium, Finland, France, Greece, Italy, the Netherlands, Norway, Sweden and the United Kingdom. Support for the timeliness of accounting information revealed to companies in samples in all joint countries, and in countries Belgium, Finland, France, Germany, Italy, Netherlands, Norway, Sweden and Switzerland. Finally, there is evidence supporting the proposition that accounting regimes produce discretionary accrual quality found for firms from all countries combined samples of 3,480 observations and from Finland, Greece, Holland, Sweden and England. When comparing differential accounting information built under IFRS and LG, some differences can be found.

Several other studies such as Gelles et al. (2011), Ghost & Lee Gelles (2013), and Bonaime (2015) have also confirmed the relationship between disclosure of accounting information and company value and internal control. Gelles, Howe and Xing (2011) investigates empirically how the disclosure of earnings information earlier affects firm value at the end of the period. Their study used a relatively large sample of 33,798 firm-year observations from 1995-2004. The results of their study found that companies were more likely to make early disclosures when they had negative earnings information. In addition, this study also shows that at the end of the period the value of the disclosing company was significantly higher compared to companies that did not disclose earning information earlier and subsequently the benefits of disclosing information earlier exceeded the costs.

Ghost and Lee (2013) link between disclosure with internal control. The study found that prior to the disclosure period, companies that report weaknesses in internal control under the arrangement of Sarbanes-Oxley Act (SOX): (1) have structural problems; (2) vulnerable to internal control problems; and (3) have low financial reporting quality. In addition, this study found direct evidence that stock prices during the years before disclosure included a large amount of information about structural problems, possible weaknesses in internal control and low reporting quality. However, this study found that many of these value relevant factors were not related to the return of the announcement period when the company finally revealed the problem based on SOX and limited new information about structural problems generated around this date. Our results provide an interesting explanation for the silence of the reaction of stock prices around the mandatory disclosure date.

Bonaime (2015) discusses changes in company behavior around 2003 where in that year a SEC 10b-18 modification was ordered, which instructed companies to increase the disclosure of repurchase transactions. The company announced significantly less and the open market was a little smaller the plan of repurchasing in an increased disclosure environment. However, the level of settlement (the number of shares repurchased as a percentage of the announced amount) significantly increased. A more conservative announcement strategy and a more aggressive level of completion is consistent with false signaling. Furthermore, the announcement of open market repurchase was seen as more credible, in an increased disclosure environment, after controlling for the company's characteristics, cumulative abnormal announcement return (CAAR) was significantly greater in the period of high disclosure. This result is consistent with significant changes in company behavior around new mandatory disclosure. A summary of some previous research on mandatory disclosure is shown in the mandatory disclosure research map (Table 1).

Table 1: Research Map of Mandatory Disclosure

No	Researcher's name	Year	Independent variable	Dependent variable	Model	The theory used	Sample
1	Aubert & Grudnitski	2011	EPS, SIGNEPS, INTEPS, and IFRS	Return	ohlson (1995) and Wysocki (2005)		EU firms in 2005 first applied IFRS adoption, 3,350 observations
2	Gelles, Howe and Xing	2011	MD early disclosure, control variables, year dummy, industry dummy	Firm value		theory of myopic loss aversion (Benartzi and Thaler's (1995) and theory of Teoh and Hwang (1991)	the final sample is 6,583 companies with 33,798 year observation firms in the period 1995-2004
			firm size, firm age, EPS, liquidty, leverage, external financing, lagged ROA, institutional ownership, intangible assets/total assets, Idiosyncratic volatility, Year dummies, and Industry dummies	disclosing			

3	Ghost and Lee	2013	mandatory disclosure, financial reporting quality, structural problems, ROA, audit fee, size, segment, audit change, and age	internal control	modified jones model (1991) and dechow et al. (1995)		a sample of 672 companies that disclosed material weaknesses and several control samples. A total of 2,056 as the final sample in the 2003-2007 period
4	Tsalavoutas & Dionysiou	2014	mandatory disclosure, net income, BE, gearing ratio, auditor, size, manufacturing	market value	ohlson (1995)	signal theory and free market theory	the final sample was 139 companies in Greece in 2005
5	Bonaime	2015	mandatory disclosure, information asymmetry and monitoring	firm behavior	Heckman model, dividend propensity model		the final sample is 6,240 repurchase announcements

4.2. Voluntary disclosure and capital market variables

Several studies have been conducted by examining voluntary disclosure and its impact on capital market variables such as those conducted by Cheng and Lo (2006), Gordon, Loeb and Sohail (2010), Dhaliwal et al. (2011), Bertomeu, Beyer and Dye (2011), Li and Zhuang (2012), Shroff et al. (2013), Belgacem and Omri (2014), Matsumura, Prakash and Vera-Munoz (2014), Baginski, Clinton and McGuire (2014), Trinkle, Crossler and Belanger (2015), Neuman, Omer and Thompson (2015), and Raymond, Dayanandan and Donker (2015). Most of these studies examine the impact of voluntary disclosure on capital market variables such as stock prices, equity capital costs, and returns. Only a few of the studies made voluntary disclosure variables as dependent variables, including the Baginski, Clinton and McGuire (2014) study which examined the impact of several independent variables on disclosures per month (DPM). In addition, Neuman, Omer and Thompson (2015) also examined the impact of several independent variables on misreport of voluntary disclosure.

All voluntary disclosure studies use archieval method except for the study of Trinkle, Crossler and Belanger (2015) which uses experimental methods. In addition, we can find out that some studies use accounting-based valuation methods as a measure of capital costs developed by Gebhardt et al. (2001), Claus and Thomas (2001) and Easton (2004). For voluntary disclosure variabl3 some research uses earnings quality measures which are proxied by abnormal accrual values from the modified Jones (1991) model and Dechow et al. (1995). Some theories that are used as the basis of research are agency theory, behavioral theory, economic theory, and voluntary disclosure theory. However, there is something interesting because the study of

Trinkle, Crossler and Belanger (2015) uses the basis of psychometric and herding theory because their study uses experimental methods, in contrast to other studies using archival methods.

The study of Trinkle, Crossler and Belanger (2015) uses a sample of 159 undergraduate and participant living in the US with a minimum age of 18 years. The basic theory they use is psychometric herding theory. Their study examined the impact of voluntary disclosure on perception of the news, valuation judgment, and perception of management's credibility. Trinkle, Crossler & Belanger (2015) study was motivated by the recent Securities and Exchange Commission (SEC) that has expanded the communication channels available to management when determining that personal social media pages can be recognized as channels for financial disclosure. However, social media channels are more widely available to investors, both non-professional and sophisticated, and allow for interaction between users through posts and comments. Others 'opinions, as stated in their comments on social media, can influence investors' perceptions of the news in ways that are beyond that of traditional SEC disclosures. Their study seeks to explore this problem by examining the effect of installed disclosures and comments through social media on the perception of non-professional investors regarding news, valuation valuations, and perceptions of management credibility. Their results indicate that comments shared through social media influence participants' perceptions and reactions to news.

In addition to Trinkle, Crossler & Belanger (2015), other studies conducted by Cheng and Lo (2006), Dhaliwal et al. (2011), Bertomeu, Beyer and Dye (2011), Belgacem and Omri (2014) and Raymond, Dayanandan and Donker (2015) using the archieval method. The study of Cheng and Lo (2006) hypothesizes that insiders choose their strategic disclosure policies and equity trading time to maximize trading profits, subject to litigation costs associated with disclosure and insider trading. Accounting for the endogenity between disclosure and trade, Cheng and Lo (2006) found that when managers plan to buy shares, they increase the number of bad news forecasts to reduce the purchase price. In addition, this relationship is stronger for trade initiated by chief executive officers than initiated by other executives. Confirming this strategic behavior, the study found that managers trade them around bad news forecasts, buy fewer shares first. Instead, the study did not find that managers adjust their forecasting activities when they sell shares, consistent with higher litigation concerns related to insider sales. Overall, the results of this study indicate that insiders exploit voluntary disclosure opportunities for personal gain, but only selectively, when litigation risk is quite low.

Dhaliwal et al. (2011) examined the potential effect of voluntary disclosure in reducing the cost of equity capital. The results of their study found that companies with high equity capital costs in the previous year tended to disclose CSR activities in the current year and that initiating firms with superior social responsibility performance enjoyed a decrease in the cost of equity capital. Furthermore, initiating firms with superior social responsibility performance attract dedicated institutional investors and a wider range of analysts. In addition, these analysts achieve lower absolute error and dispersion forecast. This study eventually found that companies that exploit the benefits of lower equity capital costs are closely related to the initiation of CSR disclosures. Initiating firms are more likely than non-initiating firms to increase equity capital.

Bertomeu, Beyer and Dye (2011) developed a financing model that together determines the company's capital structure, voluntary disclosure policies, and capital costs. Investors who receive securities in return to supply capital sometimes cause losses when they trade their securities with an information trader. The company's disclosure policy and securities structure determine the superiority of information from the merchant's information and the size of the investor's trading losses and the company's capital costs. This study builds a hierarchy of optimal securities and disclosure policies that vary with the volatility of the company's cash flows. Although the model predicts a negative relationship between the company's capital costs and how much company information is disclosed, more expensive voluntary disclosures do not cause the company's cost of capital to decrease. Disclosures must change the company's voluntary disclosure, their choice of capital structure, and their capital costs.

The study of Belgacem and Omri (2014) uses the domestic investor setting on the Tunisian Stock Market. Both studies are motivated by market value based on markets in the US and because of the development of accounting and capital markets in Tunisia. The results of the study indicate a negative and insignificant relationship between voluntary disclosure and firm value. This statistically insignificant result supports the idea that there are complex interactions of different factors that affect this relationship. However, the results of their study have contributed that investigations in the context of capital markets have grown in the North African region. A more recent study was carried out by Raymond, Dayanandan and Donker (2015) which was almost similar to the previous study (Belgacem and Omri, 2014) which both used the return variable as the dependent variable. Their study examines whether investors react more to bad news in the good times and less reacts to bad news in bad times. Study samples are companies that issue voluntary disclosures. The study found that the immediate price reaction for bad news (profit warning) was stronger during the expansion period (good times) than during the period of economic pressure (bad times). However, Raymond, Dayanandan & Donker (2015) explained that investor reactions are sensitive to the methodology used and the event window selected. The study also found that the stock return reaction was less negative during post Sarbanes-Oxley Period (SOX) compared to the pre-SOX period. A summary of the results of previous studies on voluntary disclosure is shown in voluntary disclosure research maps (Table 2).

Table 2: Research Map of Voluntary Disclosure

No	Researcher	Year	Independent variable	Dependent variable	Model	The theory used	Sample
1	Cheng & Kin Lo	2006	voluntary disclosure, size, growth, return, ROE, grants and ins_trade	Ins_trade	Lakonishok and Lee [2001]	behavior theory and agency theory	archieval, 27,792 sales forecasts issued by 4,995 companies in the period 1995-2002
2	Gordon, Loeb, & Sohail	2010	voluntary disclosure, EPS, BVPS, log of total assets and firm	stock price	(Barth et al. 2001)	Business Income	archieval, sampel 1.641 disclosing firm year dan 19.266 non disclosing firm year, in the period 2000-2004
3	Dhaliwal et al.	2011	voluntary disclosure, hiperform, size, beta, lev, MB, LTG, LNDISP	cost of capital	Gebhardt et al.2001, Claus and Thomas 001 & Easton 2004. Absolute value of	firm perspective	arhieval, with a sample of 213 disclosing firms in the period 1993-2007

					abnormal accruals from the modified Jones (1991) model, based on Dechow et al. (1995), to proxy for earnings quality (Francis et al. 2008)		
4	Bertomeu, Beyer and Dye	2011	variable D dan U	voluntary disclosure	-	the theory developed by Christensen et al. (2002)	not using a sample because the type of study is the literature review
5	Li & Zhuang	2012	voluntary disclosure, guidance, DA, volatility, PreCAR, Integer, Log(MB), officersize, analystcoverage, log(price), iPOUnderpricing , NYSE, reputation, year effects	Underpricing	Accounting-based valuation model as a measure of capital costs (Gebhardt, Lee, and Swaminathan 2001; Claus and Thomas 2001; Easton 2004; Gode and Mohanram 2003).	Economic theory	archieval, sample 2,559 common stock offer in the period from January 1, 1997 to December 31, 2006
6	Shroff et al.	2013	voluntary disclosure, seofirm, SEO, postreform, seofirm, and control	Frequency	the modified Jones		archieval, starting from 2003-2008 the final sample produced 792 SEO events and 792 non SEO firms
7	Belgacem & Omri	2014	voluntary disclosure, BOTS, ROA, size and market	Return	(Filip & Raffournier, 2010)	agency theory	archieval, the final sample is 20 companies in Tunisia from 2000 to 2008

8	Matsumura, Prakash, & Vera-Munoz	2014	voluntary disclosure, tco, assets, liab and opinc	MKT	(Heckman 1979; Maddala 1983)	Economic, voluntary disclosure	samples are carbon emissions during the 2006-2008 period for S & P 500 firms
			STRNG, CNCRN, PROPDISCL, Size, MF, BM, Leverage, FRNSALE, DISC_CDP, EPA	DISC_CDP			
9	Baginski, Clinton, & McGuire	2014	analfol, IncShares, size, InstOwn, MrgOwn, EPS, BTM, performance, return, industry fixed effects	disclosures per month (DPM)	Heckman (1979)		the sample is a company that between 1994 and 1999 128 companies issued 1,419 forward-looking disclosure
10	Trinkle, Crossler & Belanger	2015	voluntary disclosure	perception of the news, valuation judgment, and perception of management's credibility		Psychometric, herding theory	the experimental method with a sample of 159 undergraduate, participants living in the US at least 18 years of age
11	Neuman, Omer, & Thompson	2015	non_auditor, self_prepare, availability, distance, tax planning, control, industry and year	Misreport	Petrovits et al. (2011) and Belsley, Kuh, and Welsch (1980)	proximity and knowledge availability	the sample was 940 NPF organizations between 2004 and 2008
12	Raymond, Dayanandan & Donker	2015	BC, SOX, RFD, size, ROA, LEV, MTB, Cash, and Ind	cumulative abnormal average return (CAAR)	Hamilton (1989) and David (1997)	theory related to market response to announcement	a sample of 445 US companies that issued voluntary disclosures in the period 1995 to 2009

4.3. Social Disclosure and Environmental Disclosure

Several studies have specifically examined social disclosure, environmental disclosure and other voluntary disclosures and their impact on capital market variables such as those conducted by Griffin and Sun (2013), Xu and Zhang (2013), Husser and Bardiet (2014), and Mangena, Li and Tauringan (2016). The topics examined by the researchers concerned the topic of social disclosure, political disclosure, the role of Wikipedia information, environmental disclosure and disclosure of intellectual capital.

From some of these studies, all use the Archieval method by utilizing secondary data. In addition, the theoretical basis used to develop research hypotheses includes stakeholder theory, voluntary disclosure theory, information cost theory and legitimacy theory. While viewed from the model used, still use the Ohlson model (1995) and other models such as the PEG model from Easton (2004). The disclosure variables of some of these studies are used as dependent variables such as in Griffin and Sun (2013) and Xu and Zhang (2013), while other studies of Husser and Bardinet (2014) examine environmental reporting and social reporting and their impact on equity market values and MBR. Mangena, Li and Tauringana (2016) examined the effect of financial disclosure and disclosure of equity capital on the cost of equity capital.

Mangena, Li and Tauringana (2016) found a negative relationship between the disclosure of intellectual capital and the cost of equity capital. In addition, this study also found that the relationship between financial disclosure and equity capital costs increased when combined with intellectual capital disclosure. This study also shows the interaction of intellectual capital disclosure and financial disclosure in shaping the influence of both on the cost of equity capital. In addition to the studies of Mangena, Li and Tauringana (2016), Husser and Bardinet (2014) also examined the impact of disclosure, especially social disclosure and environmental disclosure of equity market values and MTB. Their study results show that investors measure the company's short-term performance by using information about the quality of the company's environmental management. In addition, the company's social disclosures related to the quality of labor management affect the company's short and long-term performance.

In contrast to the previous two studies (Mangena, Li and Tauringana, 2016; Husser and Bardinet, 2014), Griffin and Sun (2013) examined the impact of several independently on the intensity of CSR disclosures. The study of Griffin and Sun (2013) shows that there is a reliable association between CSR voluntary disclosure and corporate political interests. The second study also shows a positive association between corporate political contributions and excess stock returns. An investment portfolio strategy based on the size of the company, the intensity of CSR disclosures and the company's political contribution results in an positive and significant excess stock return. In addition, Xu and Zhang (2013) found that on the information supply side, information aggregation on Wikipedia can moderate the timing of voluntary disclosures by managers about bad news. On the other hand, on the information demand side, this study found that Wikipedia's information aggregation moderated negative investor reactions to bad news. A summary of several studies related to social disclosure, other voluntary disclosures and capital market variables are presented in social and environmental disclosure research maps (Table 3).

Table 3: Map of Social and Environmental Disclosure Research (social and environment disclosure)

No	Researcher's name	Year	Independent variable	Dependent variable	Model	The theory used	Sample
1	Griffin and Sun	2013	political, ongoing implicit claims and other company characteristics	Intensitas disclosure CSR		voluntary disclosure theory, stakeholder theory and the theory espoused by Cooper et al. (2010)	a final sample of a maximum of 4,781 CSR observations representing 784 CRSP/Compustat companies and 1,683 company-years (January

							2000 to December 2011)
2	Xu and Zhang	2013	Quantified informatin (dispersion and bias), the role of Wikipedia's information Aggregation and control variables (*number of news articles* and the amount of *newsworthy content*)	timing of voluntary disclosure (*disclosure lag*)	A seminal model, Dye's (1985) model, Classical assetpricing Models and Diamond and Verrecchia's (1981) model	-	We manually search the Lexis-Nexis database for news articles about each of the 375 companies in our final sample.
3	Husser and Bardinet	2014	Book value per share, Earnings/book value, EPS, Environmental Reporting Score, Social Reporting Score, Global Reporting Score and control variable	Market value of equity per share and market to book	the modified Ohlson model (1995) and the market to book model.	The stakeholders Theory, theory of information costs, and legitimacy theory	The final sample was 103 companies for 2008 (French companies listed on the NYSE Euronext SBF 120 index
4	Mangena, Li and Tauringana	2016	financial and IC disclosure, and control variables: natural log of firm size (LnSIZE), market risk (BETA), financial leverage (LEV), and natural log of bookto-market ratio (LnB2M)	the cost of equity capital	the modified price-earnings growth (PEG) model (Easton, 2004)	-	Using data for a sample of 125 U.K. firms (all firms listed on the LSE as at March 31, 2008)

5. Conclusion

From the description previously explained, there are several opportunities that can be used to continue the topic of disclosure and its relationship with variables in the capital market for future research. The study of mandatory disclosure is still relatively small in number, thus providing potential opportunities to conduct further studies on this topic. Some research has used mandatory disclosure indicators with IFRS mandatory disclosure requirements including research conducted by Tsalavoutas and Dionysiou (2014) and Aubert and Grudnitski (2011). Future research can develop other indicators other than IFRS in examining the impact of mandatory disclosure on company value, market price or retun. Compulsory disclosure studies can explore further in cases of companies listed in the Jakarta Islamic Index (JII) or the Indonesian Sharia Stock Index (ISSI), for example regarding the extent to which their compliance with sharia disclosure requirements has an impact on stock prices, return and corporate value they. Topics like this are very interesting to study in more depth and so far there is little research that examines the impact of sharia disclosure requirements on capital market variables.

Although many voluntary disclosure studies have been conducted by researchers, there are still opportunities to conduct this research in the future, especially by utilizing experimental methods. The use of experimental methods in voluntary disclosure studies has not been widely used by previous research. Future research can replicate or expand the studies conducted by Trinkle, Crossler & Belanger (2015) with cases occurring in Indonesia and other countries.

Voluntary disclosure topics that specifically examine the correlation or association between social disclosure, environmental disclosure, disclosure of intellectual capital and other types of voluntary disclosure are still possible to continue in future research. This is possible because there are relatively few studies that examine the relationship and some new voluntary disclosure issues have not been examined before. The test model used can refer to the model developed by Ohlson (1995), Easton (2004) with its PEG model and several other models such as Dye (1985) and Diamond and Verrecchia (1981) models.

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PAGE 2

PAGE 3

PAGE 4

PAGE 5

PAGE 6

PAGE 7

PAGE 8

PAGE 9

PAGE 10

PAGE 11

PAGE 12

PAGE 13

PAGE 14

PAGE 15

PAGE 16

PAGE 17